MEMORANDUM FOR GENERAL CANLINE:

The following paragraph has been extracted from a letter dated 7 August 1956 written to me by Mr. Boris Hagelin, Sr., from Sweden where he is spending the summer:

"I had some time ago a letter from larry Shimm, confirming that he was leaving for the War College, and that his successor would get in touch with me. This he has not done as yet, and I therefore take the liberty of passing on to you a piece of information which I feel that your old boss should have. - You may have heard that Siemens has developed a random tape device, which has been fitted to their page printer. This was originally done on request from, and according to the Belgians. Now we heard already some months ago that Siemens was offering this equipment to Egypt, and this rumour was confirmed lately. We have warned Siemens now that this will surely be frowned on by the NATO; but I doubt very much that our word shall have much weight with them. But for my own business, /even if I am quite satisfied to keep my end of the "gentlemens agreement", from purely sentimental reasons,/ it is no fun to loose business on this basis.

I have however great fun with the development of our new rotor machines. I can just as well confess that I had felt uneasy about the design of the rotors; now we have had them tested very thoroughly, and they have behaved very well. I don't remember if I told you that we have now the rotors mounted in a way similar to that for the keywheels in the CX-machines, and we also have the same dimensions for them. It will therefore be very easy to remove them from the machine and to put them back again. And also we can use the same bar-drums for both the rotor and the keywheel machines, in a word, we have been able to schieve a considerable standardization of the parts for our different types of machines.

We have also completed the design for the pocket machine, and I am sure you will like it. Bo should get a sample in a couple of month's time."

I bring this to your attention for what the information may be worth.

I for such action as you may does advisable.

I shall try to obtain additional details from Mr. Hegelin.

WILLIAM F. FRIEDMAN

Approved for Release by NSA on 08-05-2014 pursuant to E.O. 13526